

East Quincy Services District

179 Rogers Ave, Quincy Ca. 95971. (530)283-2390/Fax.(530)283-5338

May 12 ,2016

Central Valley Water Board
11020 Sun Center Drive,
#200 Rancho Cordova Ca. 95670

RE: Cost of compliance to Rate Payers Due to Removal of Quincy Community Services District's Discharge Requirements NPDES Permit No. CA0078981

Central Valley Water Board,

As the General Manager for the East Quincy Services District, I am writing you at the request of our Board of Directors to amplify some of our concerns that were shared with your representatives during a meeting and walk-through of the wastewater treatment plant (WWTP) on March 15th. That meeting primarily covered the timing and contents of our (then anticipated) preliminary and final NPDES permit. Our (draft) Preliminary Engineering Report and Feasibility Study by Pace Engineering of Redding became available about three weeks before that meeting.

Our Bi-District Rate Setting Committee (for wastewater treatment) has been reviewing the feasibility study since then and our board is greatly concerned about the anticipated financial impact on our ratepayers. The WWTP upgrade options in that report range from \$25.7 -to- \$34.7 million and would need to be covered by only 2,787 wastewater customers in American Valley. It has also come to light that two other dischargers in the same river basin feeding Lake Oroville are sending critical effluent components from their plants *many times higher* than our existing plant. That is a disparity that is as unfair as it would be unpopular to our ratepayers if the aforementioned cost metrics continue to hold. It is expected that current rates for wastewater services would climb from \$55.49 to \$84.21 within six years—a 52% increase.

The requirements for this next discharge permit represent a very steep climb for us, and in the current estimates for a plant upgrade, we still do not know if and how much in the way of dilution credits we might be granted that could make the new plant more affordable. We have contacted Integrated Water Management Group for the upper Feather River watershed (for financial help) but there is no discernible timetable for their next grant cycle, or how much and how quickly our upcoming project could be funded by such grant funds. One of the principles that was intimated (but not specified) by one of your staff at that March 15th meeting was that dischargers at the headwaters of river drainages have a greater responsibility for tighter effluent limits than those discharging much further downstream. This adds the perception of a *regional* discrepancy to the known local difference in discharge parity between small dischargers.

Plumas County has lost over half its previous timber industry along with the 25% shared revenue injection that came from the federal government for these in lieu of tax proceeds. Plumas County's population is the same as it was in 1970, and additional retail stores continue to vanish. All of those destroyed by fire (as along Quincy's Main Street over two years ago) are not being rebuilt. Our population's concentrations are outside of reasonable commuting distance

for jobs in the Central Valley or Nevada. Maturing children leave town for education and/or employment but few return. Foreclosures still occur here, and our board frequently writes-off unpaid residential billings.

I realize the boundaries of your regulatory jurisdiction do not include the financing of projects, but the simple truth is that our ability to construct the project that you demand from us can only proceed if there are significant portions borne by grant funding. As a part of our preliminary work we will again see that an income study is conducted to help qualify us for grant funding. I would add that whatever those results, low or high, there are still not enough ratepayer bodies to handle the financial challenges presented by the anticipated project.

If you have questions or comments, please contact me at (530)283-2390 or by e-mail at mike@eastquincycsd.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael T. Green', with a long horizontal flourish extending to the right.

Michael T. Green
General Manager

Cc: Congressmen LaMalfa
Senator Gaines
Supervisor Engel
Supervisor Simpson
IRWMG